



April 4, 2011

Joseph C. Szabo, Administrator
U.S. Department of Transportation
Federal Railroad Administration
1200 New Jersey Avenue S.E.
Washington, DC 20590

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Roelof van Ark
CEO

RE: 2011 Federal Railroad Administration (FRA) Grant Applications

Dear Administrator Szabo:

The California High-Speed Rail Authority (CHSRA) is herewith submitting four applications for the High Speed & Intercity Passenger Rail (HSIPR) Program funding announced in the Federal Railroad Administration's March 16, 2011 Notice of Funding Availability.

To date, the CHSRA has been awarded the following FRA funding for the development of Phase 1 of the California High-Speed Train (CHST) System:

- \$194 million to be applied to the PE/NEPA/CEQA phase of the Phase 1 program
- \$37.5 million for station area planning and for LA Union Station right-of-way preservation
- \$16 million for the design/implementation of the first Positive Train Control/ERTMS interface implementation on the Peninsula
- \$2.95 billion to initiate final design and construction of Phase 1 of the CHST System

On December 2, 2010, the CHSRA Board identified the Initial Central Valley Project (ICVP) to which to apply the \$2.95 billion in final design and construction funds. The ICVP begins north of Fresno (Madera County) and extends to north of Bakersfield (Kern County). Subsequent to that, the CHSRA and the FRA concluded an amendment to its Funding and Cooperative Agreement (Grant Agreement) for the ARRA portion of the funds awarded for the ICVP but have not yet done so for the remaining FY 2010 funds associated with the ICVP.

The route alternatives used in developing the ICVP were solely for purposes of developing cost estimates for the ICVP. The environmental review processes under

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the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) are still underway, and the Authority has not yet identified preferred alternatives in the EIR/EIS processes or made final alternative selections. The identification of route alternatives for costing purposes in this grant application does not prejudice nor influence the identification of the preferred alternatives or the final selected alternatives, which are still to be determined through the EIR/EIS process in each of these sections.

When the \$2.95 billion is combined with our state funds that were committed as project match, the CHSRA has approximately \$5.5 billion to fund the final design and construction of track infrastructure for the ICVP. The project budget does not include core systems; these project elements will be incorporated as the project is further advanced and closer to the implementation of service.

In applying for funding under the current solicitation, the CHSRA has developed three project applications which would extend the ICVP. That is, the CHSRA proposes to combine any new funding awarded under this solicitation with the \$5.5 billion currently available in order to extend the system.

With that objective in mind, the CHSRA's approach is to request funding for a "base case" project (Request 1) which has been designed to extend the ICVP both north and south and to complete stations in Merced and in Bakersfield. We are submitting two additional (Request 2 and Request 3) applications that would build on that investment. That is, they represent *extensions* to the "base case" and should not be considered as *alternatives* to it. Should the FRA wish to select either one of these two projects for funding, the CHSRA requests to be consulted during this process.

In addition, the CHSRA is submitting a request for funding on behalf of the Los Angeles County Metropolitan Transportation Authority (LACMTA) for a grade separation project to be completed by LAMTA (Request 4).

Our four grant request scopes/budgets are summarized below:

Request 1- Extension of Initial Central Valley Project: Merced Station to Bakersfield Station

- This project represents the "base case" discussed above and is comprised of two extensions to the ICVP:

(1) An extension of the ICVP from north of Fresno to Merced Station in Madera County: This extension would complete final design and construct civil infrastructure, including trackwork, extending the ICVP from just south of Madera into Merced and would construct an at-grade Merced High Speed Train Station including platforms. This extension would include the Wye at Chowchilla.

(2) An extension of the ICVP from north of Bakersfield to Bakersfield Station in Kern County: This extension would complete final design construct civil infrastructure, including trackwork, extending the ICVP from north of Bakersfield into downtown Bakersfield and would construct an aerial Bakersfield High Speed Rail Station and platforms.

- Together these two extensions would extend the current ICVP and result in approximately 180 miles of total completed infrastructure.
- The CHSRA is applying for \$1.44 billion (federal share) with a 20% state match to fund a total estimated cost of these two extensions of \$1.80 billion.

Request 2 - Extension of Initial Central Valley Project: Merced – West

- This extension would build on the Merced Station to Bakersfield Station (Request 1) project described above.
- This project would complete final design and construct civil infrastructure, including trackwork, on an approximately 39-mile extension west from the Wye near Chowchilla to the commencement of the first tunnel adjacent to the San Luiz Reservoir (toward San Jose).
- The CHSRA is applying for \$0.960 billion (federal share) with a 20% state match to fund a total estimated cost of this extension of \$1.2 billion.

3. Extension of Initial Central Valley Project: Bakersfield Station – South

- This extension would also build on the Merced Station to Bakersfield Station (Request 1) project described above.
- This project would complete final design and construct civil infrastructure, including trackwork, on an approximately 15-mile extension southward from Bakersfield Station between Bakersfield and entry into the Tehachapi Mountains.

- The CHSRA is applying for \$1.336 billion (federal share) with a 20% state match to fund a total estimated cost of this extension of \$1.67.

4. LACMTA - Antelope Valley Line – Van Nuys Boulevard/San Fernando Road Grade Separation Project

- This grade separation project is located at the intersection of Van Nuys Boulevard and San Fernando Road in the City and County of Los Angeles.
- This project is located in the San Fernando Valley section of the CHSRT project in its Palmdale to Los Angeles Section and would benefit the CHSRT System in future years.
- The CHSRA is submitting this application on behalf of LAMTA for \$70,080,000 (federal share) with a 20% local match to fund a total estimated cost of this project of \$87,600,000.

Our vision for improved transportation in California includes as a backbone an 800-mile true high-speed rail system traveling up to 220 miles per hour and linking our state's major economic centers from Los Angeles to San Francisco via our growing Central Valley, and then up to Sacramento and down to San Diego. The system – sure to be the first of its kind in our Nation– will provide connections to airports, regional passenger rail systems, bus lines and bike paths so that an integrated web of transit systems makes it easy for travelers to move across the state seamlessly, efficiently and in a way that improves our environment, our quality of life and our state's overall productivity.

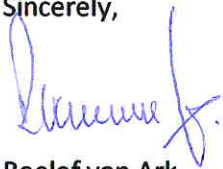
In keeping with our vision of an integrated transportation system, the CHSRA also endorses the fifteen projects being advanced by Caltrans for HSIPR as part of this round of funding. With the high-speed rail as an overlay to Caltrans' intercity passenger rail system, our state will move further toward the Administration's goal of having high speed rail available to 80 percent of the population within 25 years. Caltrans' investments will build additional capacity to accommodate the growth of the enhanced feeder services and together our investments will provide a viable transportation alternative that conserves energy, supports livable and sustainable communities and do so in a way that is energy efficient and environmentally friendly.

The CHSRA is currently developing and evaluating potential options for an initial operating segment (IOS) and anticipates that the Board will identify a preferred IOS later this year. Any additional funding awarded to our project will enable the CHSRA to advance further toward that important objective.

In evaluating our grant applications we ask the FRA to consider the substantial long-term benefits to the State of California and the Nation from the investments proposed in our attached grant applications. We also ask the FRA to consider the progress we have made to date and the significant financial commitment the State is making – and has already made with prior awards – in terms of the state and local match it is putting forward. More specifically, we have committed 47 percent (\$2.79 billion) in state and local funding to match the federal awards received to date (\$3.18 billion).

We look forward to taking the next step with the FRA in advancing the California High-Speed Train Project with the award of the next round of federal High-Speed and Intercity Rail funding.

Sincerely,



Roelof van Ark
Chief Executive Officer